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C O N F I D E N T I A L TOKYO 002646

SIPDIS

DEPT FOR EAP/J AND NEA/IPA

E.O. 12958: DECL: 11/16/2019
TAGS: [PGOV](#) [PREL](#) [EAID](#) [KPAL](#) [IS](#)
SUBJECT: PALESTINIAN REPRESENTATIVE MORE OPTIMISTIC ABOUT
BUDGET SUPPORT

REF: TOKYO 1666

Classified By: POL M/C Robert S. Luke per reasons 1.4 (b) and d.

¶1. (C) In a November 16 meeting with Embassy Poloff, Palestinian Permanent Mission Chief Representative Waleed Siam said that he was optimistic that the new Democratic Party of Japan (DPJ) government would be more receptive to requests for direct budget support to the Palestinian Authority (PA) than previous Liberal Democratic Party (LDJ) governments had been. Siam, who has been the Palestinian Representative in Japan since 2003, described his relationships with Prime Minister Yukio Hatoyama and Foreign Minister Katsuya Okada that date from the DPJ's time as the opposition party, adding that Hatoyama and Okada had spoken supportively of direct budget assistance to the PA.

¶2. (C) As noted in reftel, the GOJ has been reluctant to provide direct budget support to the PA, preferring instead to support infrastructure and development projects. In recent years, Japan has provided limited "non-project assistance" to the PA -- which consists of funding a particular expense or service and paying the provider directly. Siam said that since the September 16 change in government, he has been meeting with DPJ politicians, including State Secretary for Foreign Affairs (SSFA) Tetsuro Fukuyama, a DPJ Diet Upper House member, to make the case for direct budget support. That said, Siam conceded that resistance to budget support among the GOJ career bureaucracy is likely unchanged.

¶3. (C) While Siam believes that \$50 million in GOJ budget support is not unreasonable, he stressed that it should not come at the expense of Japan's traditional economic and development assistance. "We need it both," he said. Saim conceded, however, that while he believes DPJ political leaders might be more supportive of the PA, he had not yet deciphered the DPJ's decision-making structure with respect to assistance. "The Japanese have many pockets, and one needs to know where to look for the money. I've not quite figured out where all the DPJ pockets are," he said.

¶4. (C) COMMENT: Siam may well be correct that the DPJ could be more receptive to PA budget support. Certainly, the DPJ's campaign manifesto seemed to auger well for the PA, with its thin foreign policy section containing a specific mention of "providing more aid to Palestine through the Japan International Cooperation Agency (JICA), Japan's development agency." Nonetheless, the DPJ-led government's overall ODA priorities remain unclear, and possible budget trade-offs may be looming on the horizon. In announcing the GOJ's 5-year, \$5 billion commitment to Afghanistan on November 10, Afghanistan and Pakistan Special Envoy Motohide Yoshikawa admitted that there could be some impact on other ODA priorities. In an austere GOJ budget environment and absent new momentum in the Middle East Peace Process, the GOJ may be

reluctant to expand its commitment to the PA.

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